Harry Young's Business Topics

Canada Suffers Boom Hangover

National Patience Needed In Retrenchment Period

The illusion that Canada could adopt a wide variety of social services and still pay for it out of existing revenues was finally shattered in the current budget.

Before Mr. Diefenbaker was swept into power, he indicated that by reduction of spending, and by the natural growth of the country's economy, the higher old-age pensions and the national hospitalization program could be implemented without raising taxation.

History was there at the time to suggest "Honest John" was wrong, but the public accepted the theory, or at least preferred the potion promised by the Conservatives than taking further doses from the incumbents.

Actually there was just an outside sort of chance that Canada might have continued to balance the budget for a few years longer without extra taxation, but the projections made by the economists that capital expansion would continue steadily at its 1950-55 rate were based on a faulty premise.

Nowhere was this more forcibly seen than in British Columbia.

In the early 1950s, B.C. was in the midst of an unparalleled heavy construction program that saw the completion of four huge new pulp and paper plants; three great hydro development programs, the foundation of the aluminum city of Kitimat; the extension of the provincially-owned PGE railway, and finally, the laying of the oil and gas pipelines.

The vast new sums of money that poured into B.C. from other parts of the world provided vast projects and revenues of a non-recurring type, and Premier Bennett was perhaps fortunate to come into power just at a time when most of the contracts had been let.

Tried to Rekindle Flames

Just like Mr. Diefenbaker today, Mr. Bennett for the past three years has been striving to rekindle the development flames that burned so brightly in the immediate post-war years.

In this he has only partly been successful because the additional production achieved by the main B.C. industries through their recently-completed expansion programs, required a period of digestion and consolidation before the demand can catch up with the additional supplies.

The great question now for both Premier Bennett and Prime Minister Diefenbaker is the period of time it will take to create the climate for the next huge Canadian development program.

With the lead and zinc markets in a depressed state; the pulp and paper industry working well under capacity; and Alcan combing the world market for new buyers of aluminum, the prospect for a B.C. construction revival is not immediate.

The B.C. government's efforts to interest Frobisher Ltd in a big hydro-electric development in the Taku and Nass areas failed because no economic uses for such power appeared available.

Now they are banking on the Wenner-Gren interests to go ahead with an even larger electrical power scheme on the Peace in the hope that this will not only provide another great spate of construction with new capital coming into the province, but also encourage development of new industries in the northern part of the province.

Province Stands on Brink

At the moment, however, B.C. with its vast natural resources is standing on the brink. High cost of money, labor equipment and transportation make many good looking B.C. prospects too large a gamble to be tackled immediately.

No one seriously doubts that within the next few years Alcan will go into the second phase of its hydro electric program at Kemano, but meanwhile it does not require more than the 1,000,000 kilwatts of its 4,000,000-kilowatt potential.

Almost certain is the fact that sooner or later the vast copper resources of the Highland Valley area near Ashcroft will proceed to the stage where they will command the construction of mills and smelter.

But meanwhile patience is required.

It is the same with Mr. Diefenbaker. He came into power at a time when it wasn't going to be possible to meet higher costs with the fruits of expanding economy.

The fact that his government has swallowed its pride and has accepted the advice of its financial experts to bridge the gap between revenue and expenses, is in itself a hopeful sign.

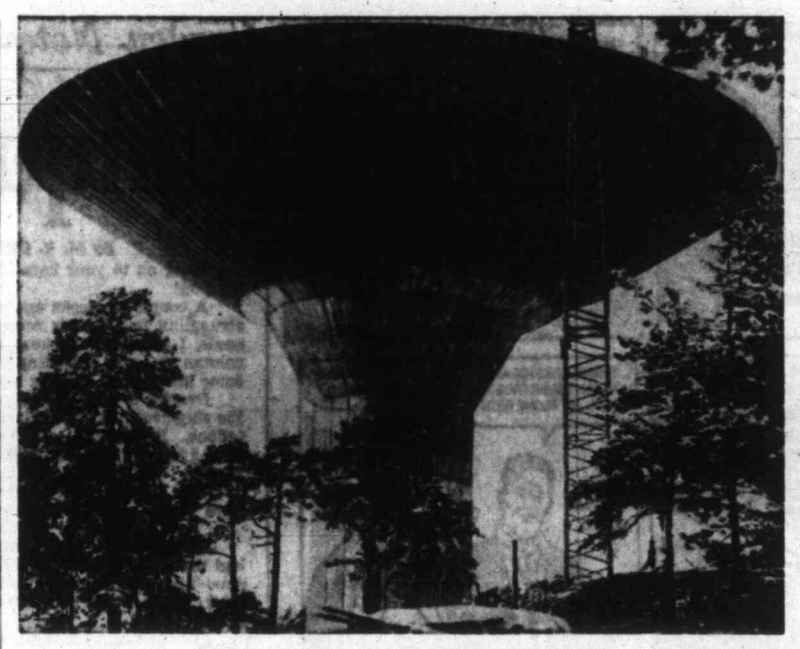
The new budget taxation will hurt, but it is better that way than to meet deficits with paper money and encourage an inflationary spiral that could only worsen with procrastination.

The whole truth is we have been expecting Canada to go forward a little faster than was reasonably possible.

Business Still Good

Business activity in Victoria continued at a high level following the Easter recess, and in the week ended April 6, clearings at the Victoria clearing house were $11,113,917.

This figure compared with $7,231,055 in the corresponding week of 1958, when trading was restricted to four days owing to Easter.



'Mushroom' Holds Water

Rising 114 feet above the ground in Lauttasaari, a suburb of Helsinki, Finland, is one of the largest structures in that country. Shaped like a giant mushroom, it's a water tower and its funnel-shaped top has a diameter of 137 feet.

Chicago to Europe On Dutch Liner

ROTTERDAM (Reuters) — The firm that boasts that it pioneered ocean going trade between the Great Lakes and Europe is determined to take advantage of the opportunities provided for increased business with the opening of the St. Lawrence Seaway.

The Fjell-Oranje Lines is putting into service a new passenger-cargo flagship, the 8,526-ton Princess Irene. She will leave Rotterdam April 29 for Montreal.

The new vessel, carrying 115 one-class passengers and a crew of 85, will join the line's former flagship, the 7,328-ton Prins Willen van Oranje, in opening direct passenger and cargo service between Chicago and Europe. The line intends to run the trip once every three weeks.

The first liner service between the lakes and Europe was established in 1932 by a company that became the Fjell Line in 1935.

'Bandwagon' Revived This Week

"Bandwagon," popular musical event which was presented several years ago as an annual affair by the Sidney Boys' Band, is to be revived under the auspices of the North Saanich Band Aid, an organization of mothers which raises funds for the North Saanich high school band.

Many well-known local and outside artists are to appear on the program which will be presented at Sanscha Hall Saturday at 8 p.m. Also included will be the recently organized Sidney elementary school band, who play both by themselves and together with the North Saanich group.

Shooting Device Uncovered

Weapon Found in Search Of Suspect, Police Say

A six-inch, hand-held device for shooting a 10-gauge shotgun shell was carried by a man arrested for intoxication, Magistrate William Ostler was told in city police court yesterday.

Before the court, charged with carrying a concealed weapon, was Joseph Altorjai, 736 Caledonia. His attorney, Lloyd McKenzie, entered a plea of not guilty to the offence.

Altorjai was remanded to Monday for psychiatric examination.

Constable Elmer Keleny told the magistrate he was acting as jailer at city police headquarters Thursday night when Altorjai was brought in. He found the weapon during routine search.

The device consists of a metal tube fitting into a socket with a bayonet-type lock. Appended to the socket is another tube containing a spring and a plunger. When the plunger is pulled back and released, the spring forces a sharp pin against the firing cap in the shotgun shell.

Mr. McKenzie submitted that there was no evidence that the instrument was designed as a weapon, but Mr. Ostler commented that he was entitled to use his common sense.

"It doesn't take much imagination," he said. "It looks like something one holds, close up to an animal . . . of course, that is an assumption.

"It is an offensive weapon and he was carrying it concealed."

Through an interpreter, Altorjai said "I would like to use it for defence but I have never used it."

Mr. McKenzie told the court he employs Altorjai as a gardener.

"He is a very eccentric person when he has been drinking," he said. "He has been in Essondale . . . I can't certify as to his general condition . . . I employ him at my house. I wouldn't do that if I had any doubts as to his sanity."

"When you find an intoxicated person very excited, coupled with this, I think it is an extremely dangerous potential," Mr. Ostler commented.

200 Hotel Men Meeting Here

Officials of the Hotel Association of Canada hope for an attendance of 200 delegates to the organization's 31st national convention to be staged at the Empress Hotel April 23 to 26.

The convention is expected to draw delegates from as far away as Nova Scotia, and will come hard on the heels of a one-day meeting of the Western Hotels Association, also at the Empress.

Guest speakers at the hotelmen's convention will include Bert Fraser, Winnipeg, managing director of the Manitoba Hotel Association, George Powell, president of the Hotel Sales Management Association, and Stuart Keate, Victoria newspaper publisher.

Rubber Plane Has Blowout

PATUXENT NAVAL AIR BASE, Md. (UPI) — An inflated rubber airplane crashed near here when it suffered a blowout during a test flight, but the pilot bailed out safely.

A tip of one wing folded over and was hit by the propellor when the plane was pulled up sharply at 4,500 feet.

Cholera Kills Herd of Hogs

OTTAWA (CP) — A Newfoundland herd of about 295 hogs has been wiped out by hog cholera believed caused by eating untreated garbage from a United States air base.

Fold-Ups, Automation Blamed

Car Industry Jobs Drying Up

DETROIT (AP)—Michigan, where the automobile industry grew from baby to giant, has been losing car-making jobs steadily in recent years.

Not all of Michigan's loss was through movement elsewhere. Total United States motor employment has been shrinking since 1955.

The shrinkage started in Michigan even before record-breaking 1955, when the American industry built more than 9,000,000 cars and trucks. Hudson and Packard found the going too rough and consolidated with others. Kaiser-Fraser quit passenger cars altogether.

These three foldups ended 75,000 jobs in Michigan assembly and supplier plants, the state employment security commission reports.

Michigan motor plants employed an estimated 220,000 on defence jobs in 1953, but as the emphasis shifted from tanks and power-drawn artillery to missiles this ebbed to 71,046 in 1955 and was down to 40,000 in 1958.

Some plants left Michigan, and some industrialists blamed this on what they called the state's corporation tax "business climate."

There have been several major causes for the constant decline while production fluctuated. The biggest, industry and labor agree, is automation.

$95 Suit Taken From City Car

Herbert Langford, of 5089 Wesley Road, Royal Oak, yesterday reported to police that a size 38 grey suit, valued at $95, was stolen from his car while it was parked at a Johnson Street parking lot between noon and 2 p.m.

The cobalt bomb which was developed by Canadian scientists is proving to be a most useful tool in the radiation treatment of small, deep-seated cancers, officials of the Canadian Cancer Society announce.

In School Building Issue

Sidney Backs Both Sides

Sidney Alone In Approving Region Plan

With mild objections from Commissioner Joseph Bilgeri, Sidney council became the only municipal body to approve the Capital Region Planning Board master plan for the Saanich Peninsula.

"The only recommendation affecting Sidney is the eventual extension of the village boundaries," said chairman Dr. C. H. Hemmings. "We don't have to ask their approval if we want to change any by-law."

Sidney council agrees with the recent request by the Deep Cove Property Owners' Association that councils and other public groups should be fully informed about the forthcoming building program of Saanich School District 63.

But it also supports the school board's contention that general distribution of the full specifications of each job would be too costly.

"It seems to me the school board could submit letters giving all the details," said chairman Dr. C. H. Hemmings. "There is a danger that the building referendum will be defeated unless the taxpayers are convinced that only necessary work is being undertaken."

Island Manufacturers Elect BCE Official

E. B. Williams of the B.C. Electric Co. was elected chairman of the Victoria and Vancouver Island Branch of the Canadian Manufacturers' Association.

He was named to the two-year post during the association's 41st annual meeting at the Union Club. E. R. Whittington, of Moore-Whittington Lumber Co. was elected vice-chairman.

Members of the 1959 executive committee are J. M. Green, H. L. Ramsay, A. H. Alexander, H. S. Hammill, R. B. Carpenter J. A. G. Wallace, W. A. Spershott, F. E. Manning, G. Sanderson, H. M. Robson, W. B. Wilson and E. W. Brinkworth.

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